Level(3) COMMUNICATIONS

June 5, 2006

Ex Parte Notice

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: **Regulation of Prepaid Calling Card Services, WC Docket No. 05-68**
Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92

Dear Ms. Dortch:

Level 3 Communications, LLC ("Level 3") hereby responds to the *ex parte* letter filed by Verizon on May 22, 2006 in the docket referenced above. In its letter, Verizon agrees with Level 3 that Verizon should bill the prepaid calling card provider and not the CLEC for any originating access charges that the Commission determines are due for prepaid calling card calls. Verizon nevertheless asks the Commission to impose new obligations on CLECs without any additional compensation. Because it is Verizon's responsibility to identify and bill the prepaid calling card provider who is responsible for access charges, the Commission should reject Verizon's attempt to impose additional costs on CLECs so that Verizon can collect originating access charges.

In its *ex parte* statement, Level 3 asked the Commission to be clear that, when the call to the platform is a locally-dialed number provisioned as a DID service by a local exchange carrier ("LEC"), the jointly-provided access model applies, and the originating LEC would bill the platform provider (and not the LEC providing DID service) for access to the extent that the Commission determines that access is due. Nowhere does Verizon deny that the prepaid calling card provider and not the underlying CLEC would pay access charges. Accordingly, the Commission should confirm this point if it requires access for prepaid calling card services.

Nevertheless, Verizon misunderstands the calling scenario set forth in Level 3's *ex parte* and, as a result, seeks to apply rules that currently do not apply to CLECs in that scenario. In particular, Verizon contends that this service is "no different from traditional Feature Group A access" and that its Feature

Group A tariff provisions apply to a CLEC interconnecting with Verizon and providing services to a prepaid calling card provider. Verizon is mistaken. Verizon's tariff does not impose any requirements on the CLEC to provide Verizon with any information about the CLEC's customer. Any tariff requirements are placed on Verizon's access customer, which, in this case, would be the prepaid calling card provider.

The obligations that Verizon asks the Commission to place on CLECs unnecessarily would impose substantial costs on CLECs that would benefit only Verizon. As an initial matter, Level 3 has supported and continues to support intercarrier compensation reform plans that would eliminate originating access. Eliminating originating access would avoid many of the complex and contentious issues raised in this proceeding and would eliminate the dilemma vexing Verizon – i.e., how to impose costs on third parties in order to identify traffic on which Verizon can collect revenues. Level 3 urges the Commission quickly to establish an intercarrier compensation regime that removes originating access from the scope of effort, focus and expense incurred by carriers and allows them to focus on competing for customers.

In any event, Verizon's proposal would require CLECs to create called-party call records for calls originated from Verizon's customers. These records would have to capture only traffic destined for prepaid calling card providers. From the CLEC's perspective, however, each one of these calls looks like a call to a local telephone number. It would be very difficult to differentiate calls to prepaid calling card providers from other calls to Internet providers. CLECs do not currently create these records. Under Verizon's proposal, therefore, CLECs would have to spend a significant amount of time, energy and expense to create records solely for the purpose of ensuring that Verizon receives originating access revenues. Moreover, CLECs would not be compensated for this service.

Verizon is in the best position to obtain the information it seeks. While LECs may seek to require their customers to represent that they are using LEC services in accordance with applicable laws, these LECs should not be required to determine whether their customers are acting consistently with their contract when they do not do so in the ordinary course of business. By contrast, because Verizon "owns" the calling party (which may be a Verizon employee), Verizon can track the call to determine whether the end user is calling a prepaid calling card provider. Verizon is merely trying to shift the burden of determining the nature of the call to its competitors.

For the reasons set forth above, Level 3 urges the Commission to reject Verizon's attempt unnecessarily to impose new reporting obligations on

CLECs providing service to prepaid calling card providers. Please contact Bill Hunt at 720 888 2516 with questions.

Sincerely,

/s/ Adam Kupetsky

Adam Kupetsky
Regulatory Counsel

Level 3 Communications, LLC
One Technology Center TC 13
Tulsa, OK 74103
918 547 2764

Cc: Michelle Carey
Jessica Rosenworcel
Scott Bergmann
Dana Shaffer
Tom Navin
Bill Hunt